

IMPRESSIONS OF IP



Mariano Municoy of Argentine IP boutique Moeller IP Advisors provides a run down of the developments in attitudes and legislation of intellectual property in Latin America

The last few years have been very interesting for those of us practising in the area of intellectual property law in Latin America. Many positive trends continue to unfold, such as an increasing number of filings and expansive international cooperation. More and more countries in the region are joining international IP treaties such as the Patent Cooperation Treaty (PCT), and sending signals that indicate they are willing to join others such as the Madrid Protocol, which allows a trademark owner to have his or her trademark protected in several countries by filing one application directly with its local trademark office.

The adoption of the Madrid Protocol has only recently started to gain more attention in Latin America, but we firmly believe this should be and it is going to happen sooner or later. The protocol entered in force in 1996 (right after TRIPs was signed). To date, there are no signatories in Latin America other than Cuba, although it should be noted that when the protocol was signed in 1989, many Latin American countries (particularly those of Central America) were not even members of the Paris Convention for the Protection of Industrial Property of 1883.

There are signs that the protocol is very likely to enter in the region in the medium term. In 2006, the Brazilian Chamber of Foreign Trade (CAMEX) issued a recommendation for joining it, and in 2007 a legislative proposal was introduced in Argentina's congress that requested the government to take all required measures to join the protocol. Of course, those countries that have signed FTAs with the US are also "invited" to make all reasonable efforts to join.

Adopting the protocol will require many changes and adjustments that are not always easy. For instance, one major change that should be adopted by most Latin American countries is establishing multi-class application systems, which are not widespread throughout the region.

For some countries, the increased interest in IP law is a by-product of the free trade agreements they have signed with countries with more developed IP laws. But even this implies that there is a better understanding across the region of the importance of protecting intangible assets.

As in the rest of the world, the number of patent, trademark and other IP rights filed in most Latin American countries is on the up. The number of patent applications rose in most countries between 2006 and 2007. In 2006, El Salvador, Guatemala and Honduras signed up to the Patent Cooperation Treaty, joining Mexico, Colombia, Ecuador and Nicaragua. Chile's congress gave the go ahead for joining this October.

This increased activity does bring problems. The steady growth in patent applications filed in the region is putting pressure on local trademark and patent offices (PTOs), whose resources have not increased proportionally. This in turn causes delays in PTOs' ability to handle sensitive matters, such as conducting patent substantive examinations.

Given that the number of IP applications to be filed in the region is unlikely to decrease, we believe practitioners and the public should welcome any efforts made by PTOs to improve efficiency. To address such backlogs, administrative procedures have been implemented in many countries, including Argentina, Brazil and Uruguay. These approaches vary and are likely to have different outcomes that will be analysed in the future. For instance, the PTO in Argentina issued a resolution in July that requires applicants of patents filed before 1 January 2008 that claimed a priority under the Paris Convention to confirm their ongoing interest in keeping the file alive. Meanwhile, Brazil's PTO has become the first Latin American PCT international search authority – a local patent office that conducts preliminary examinations of patent applications filed under the PCT.

Any efforts to improve the handling of IP filings should be complemented by other measures designed to improve the current level of enforcement of IP rights. While case law in most countries of the region suggests that IP rights have improved, there are exceptions.

A new article of Argentina's patent law, for example, states that a judge must appoint an expert in the area related to the patent under dispute prior to granting an *ex parte* preliminary injunction. Overall, this makes it harder for patentees to get such injunctions.

Patent enforcement in the pharmaceutical, biological and agrochemical sectors is still a highly debated topic in the region. The argument against strong IP rights in those areas is that the social costs of allowing patents (higher prices of drugs, for example) exceed the perceived social benefits, such as fostering innovation. In June this year, Brazil's sanitary agency issued a resolution to implement the examination of patent applications on pharmaceutical products and processes that the agency must conduct according to existing norms.

Not all developments relate to patent law. Other improvements observed in the region tackle the registration, prosecution and protection of trademarks, domain names and copyrights. In January 2008, a recording system of trademarks and copyrights in Paraguay's customs was set up to fight against cross-border counterfeited goods – a serious problem in the country, particularly at the "tri-border" area of Argentina, Brazil and Paraguay. More recently, a similar system has been enacted in Peru. These systems implement articles of TRIPs and follow the experience of Argentina, which has had a similar system in force since 2007. Regarding the Argentine experience, it is worth noting that despite the many shipments of goods being examined at customs, so far no legal action has been initiated by trademark owners. In most cases, once a potential infringement is notified by customs the illegitimate goods are abandoned, which gives trademark owners control over the channels of commercialisation and compliance with the contracts regulating their relationships with local importers and distributors at reasonable costs.

In our opinion, while there are still major challenges to be overcome, the trend towards improving the legal protection of intangible assets in Latin America through a sound system of efficiently enforced intellectual property rights continues to move forward.